



U.S. Department of Justice

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May 31, 2006

Zita Lovett
Court Clerk to the Honorable Joseph L. Tauro
United States District Court, District of Massachusetts
John J. Moakley U.S. Courthouse
1 Courthouse Way, Suite 2300
Boston, MA 02210

Re: John Pedicini v. United States of America, et al.
USDC-MA, C.A. No. 04-12395-JLT

Dear Ms. Lovett:

Pursuant to the Court's May 24, 2006 order, this letter serves as the United States's report regarding the status of the above-referenced case. Specifically, during the motion hearing held on May 24, 2006, the Court inquired whether the United States Department of Agriculture ("USDA") would agree to settle the above-referenced case for the terms recommended by the Court; namely, that the USDA (i) increase Mr. Pedicini's grade level to a GS-12 and (ii) state that the letters of instructions previously issued to Mr. Pedicini will have no adverse effect on his employment in exchange for his waiver of any and all claims against the government. The Court asked that the government respond to this inquiry by May 31, 2006.

Immediately after the hearing, the undersigned counsel presented the Court's recommended settlement terms to the USDA for consideration. After much thought about the recommended settlement terms, in particular the increase of Mr. Pedicini's grade level via a settlement and the effects that such action would have on its work environment, the USDA respectfully is declining to accept the Court's recommended settlement terms.

If the Court wishes, a USDA representative will appear before the Court to explain its reasons for declining the settlement. Moreover, the undersigned counsel would welcome the

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opportunity to further address the pending motions for summary judgment before the Court.

Thank you for your attention to this matter.

MICHAEL J. SULLIVAN
United States Attorney

By: /s/ Damian W. Wilmot
DAMIAN W. WILMOT
Assistant U.S. Attorney

cc: John G. Pedicini